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donaco INTERNATIONAL

25 September 2015

Full Year Statutory Accounts

In accordance with Listing Rule 4.5.1, Donaco International Limited (the **Company**) lodges the attached Full Year Statutory Accounts for the year ending 30 June 2015.

Annual General Meeting

The Company announces that it plans to hold the FY15 Annual General Meeting on Thursday 26 November 2015.

At the Annual General Meeting an election of directors will occur.

Please note that this date is indicative only and may be subject to change.

For further information:

Ben Reichel
Executive Director

(m) +61 412 060 281

Donaco International Limited

ABN 28 007 424 777

Full Year Statutory Accounts - 30 June 2015

Contents

General information

The financial statements cover Donaco International Limited as a consolidated entity consisting of Donaco International Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Donaco International Limited's functional and presentation currency.

Donaco International Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2.02
55 Miller Street
Pyrmont NSW 2009

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2015. The directors have the power to amend and reissue the financial statements.

From the Chairman

Dear Fellow Shareholder

The 2015 financial year has seen a dramatic increase in the size and scale of your Company.

The Board and management team focussed on two key goals during the year: driving the growth of the Aristo International Hotel in Vietnam, and adding value to shareholders through corporate activity.

We took a strong step towards the first goal in November 2014, when the construction of the Aristo was completed, and the property received its five star certification. After enduring some headwinds in the soft opening phase, the subsequent marketing of the property has shown promising signs of growth. We consider the Aristo to be our flagship property, and it is extremely important to us, but it is no longer our major business, as noted below.

The second goal was also achieved during the year, with the signing in January 2015 of a deal to acquire the Star Vegas Resort & Club in Cambodia. The deal was successfully completed on 1 July 2015. The Star Vegas is now our largest property, and the deal has increased the pro forma revenues of your Company by a factor of more than five times. It has also provided substantial diversification benefits, with the Star Vegas serving primarily Thai customers, while the Aristo primarily serves Chinese customers.

In order to complete the deal, the Company successfully raised $132 million via a pro rata rights issue. We would like to thank shareholders for their support of the Company's strategy.

As a means of clearing the decks prior to completing the Star Vegas deal, we completed the spin-off of the mobile technology business, iSentric, into a separate ASX listed company, in September 2014. This was followed by the sale of our wagering marketing business, Way2Bet, in October 2014. Accordingly the Company no longer operates its former Gaming Technology businesses.

With the completion of the Star Vegas deal on 1 July 2015, the Board was expanded through the addition of Ham Techatut Sukjaroenkraisri as an executive director, and Paul Porntat Amatavivadhana as a non-executive director. These gentlemen have substantial experience in Thai-facing businesses, and the gaming industry in particular, and have already added significant value to the Board's deliberations.

Your Board is one of the most ethnically and culturally diverse boards in the ASX300, with 57% of its members having been born, educated and now residing in Asia. This provides deep and direct experience and knowledge of the regions in which we operate. According to the 2015 Watermark Board Diversity Index, only 17% of directors on the boards of ASX100 companies have similar overseas experience and heritage. For companies in the ASX100-200, the figure is less than 10%.

Further, we have two directors originally from Malaysia, and two from Thailand. These two countries are amongst Australia's top 10 trading partners, but they have minimal representation among the ASX200 boards.

Following the substantial transformation of your Company, we are confident that the coming financial year will generate positive results for our shareholders.

Stuart McGregor
Chairman

From the Managing Director

Dear Fellow Shareholder

In last year's Annual Report, I stated that "we expect to transform and expand our business in the year ahead." I am pleased to confirm that we have delivered on this promise.

The successful acquisition of the Star Vegas Resort & Club has ensured that the new financial year has begun very brightly for Donaco. The Star Vegas has demonstrated the power of its diversified revenue streams, with rapid growth in turnover and revenue over the past 12 months.

The Star Vegas is a large and high quality property, with 385 hotel rooms, 109 gaming tables, 1500 slot machines, and 57,000 square metres of usable building space. It has an enviable position in the Poipet gaming market, which is the closest legal gaming destination to the greater Bangkok area and its population of some 15 million people.

Our marketing strategies for the Star Vegas property, and the ongoing improvements in the highway linking the Star Vegas to Bangkok, will drive continuing growth in this business in FY16.

In addition, our recent deal with Heng Sheng Group, one of Macau's leading junket operators, will bring substantial numbers of VIP players from outside Thailand to the Star Vegas Resort & Club. This deal is expected to generate significant additional revenues for Donaco in FY16.

The fitout for the new Heng Sheng gaming room at the Star Vegas was completed very quickly and efficiently, which is a testament to the high quality and capacity of the Star Vegas property, and the professionalism of the management team. Our relationship with the Heng Sheng Group was successfully launched in September 2015, with a large number of new VIP players visiting the property for the first time, and enjoying the entertainment at 30 new gaming tables.

The Heng Sheng relationship will help us to capture some of the strong demand from Chinese tourists visiting Cambodia. In the first six months of calendar 2015, Chinese tourist numbers to Cambodia grew by 22%. Many of these visitors are keen to enter via the international airport at Siem Reap, which provides access to the world-famous Angkor Wat Archaeological Park. Siem Reap is also an easy two hour drive to our Star Vegas property.

The Aristo International Hotel in Vietnam is also back on track in recent months, after a difficult first year. Record levels of visitation and strong turnover figures give us confidence in the performance of this flagship business for the coming year.

Further, we recently signed a ground-breaking sponsorship deal with Manchester United, which is also expected to drive further growth in the year ahead, at both the Star Vegas and the Aristo. Our appointment as the Official Casino Resort Partner of Manchester United will drive increased positive awareness of both properties in the Company's key target markets, and is expected to generate significant value for the Company.

With the expansion of our business, we have also expanded the capabilities of our senior management team. I am pleased that Mr Chong Kwong Yang has joined us in the role of Chief Financial Officer, after consulting to us for 12 months while working on the Star Vegas acquisition. Mr Richard Na remains as a key member of the management team, in his capacity as Deputy Chief Executive Officer, thus ensuring continuity and ongoing depth of management talent.

Our Company now employs some 1800 people across two major leisure and entertainment properties in Asia. The capability of this diverse workforce gives us a strong base to pursue success in these businesses, and any others that meet our investment criteria.

While a strong pipeline of investment opportunities continues to present itself to us, I wish to emphasise that we are highly disciplined in our approach, and will not pursue any deal unless it provides good returns to shareholders. We are confident that the Star Vegas deal will be proven to meet this criteria.

Joey Lim
Managing Director and Chief Executive Officer

Donaco International Limited
Directors' report
30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Donaco International Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Donaco International Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stuart James McGregor - Chairman
Joey Lim Keong Yew
Benedict Paul Reichel
Benjamin Lim Keong Hoe
Robert Andrew Hines
Ham Techatut Sukjaroenkraisri (appointed 1 July 2015)
Paul Porntat Amatavivadhana (appointed 1 July 2015)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- operation of a hotel and casino in northern Vietnam;
- operation and development of gaming technology, including mobile payment gateways; and
- acquisition and disposal of businesses.

Dividends

There were no dividends to shareholders paid, recommended or declared during the current or previous financial year. A dividend was paid by the Lao Cai International Hotel Joint Venture Company to non-controlling interests (the Vietnamese Government) in the previous financial year.

The consolidated entity's dividend policy is unchanged from that set out in the prospectus dated 13 December 2012, which stated:

The Company intends to pay dividends to Shareholders in the future subject to the availability of sufficient profits and franking credits and subject to the Company's then current working capital requirements and growth plans. Shareholders should note that the payment of dividends is not guaranteed.

Review of operations and financial results

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $2,928,075 (30 June 2014: profit of $6,793,403).

The primary focus of the Board and management team during FY15 was to complete the successful acquisition of the Star Vegas Resort and Club in Cambodia, which took place on 1 July 2015. Accordingly the FY15 statutory results include only the Aristo International Hotel, which as at the date of this report represents approximately 15% of the Company’s overall business, in terms of net (reported) revenue.

Aristo International Hotel - Performance Summary

The performance of the Aristo International Hotel was affected by a number of specific factors during the year. The property was in soft opening mode until November 2014, with not all facilities available. Further, the performance of the property in the December half was adversely affected by China’s travel warning for Vietnam, the Soccer World Cup, and an earthquake in the Aristo’s main target market of Yunnan Province.

Despite these factors, the Aristo saw steady increases in casino visitation, which grew by 28% over the year, and in gaming turnover. Table game turnover grew by 17% in Australian dollar terms, while slot machine turnover grew by 294%. Normalised results show operating revenue grew by 51%, while earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 67%.

Normalised results adjust the revenue received from the VIP table games business, by applying a theoretical win rate of 2.85% to VIP rolling chip turnover. This provides a more accurate guide to the underlying operating performance of the VIP table games business, which can experience significant volatility over shorter periods.

The theoretical win rate for VIP baccarat in Asia is generally accepted to range between 2.7% and 3.0% of rolling chip turnover. The Company normalises its revenue from VIP table games in the middle of this range, at 2.85%, in line with other Asian casino operators.

Actual results at the Aristo were affected by a below theoretical win rate of 1.93% on VIP table games. The VIP win rate at the Aristo has been closely monitored by the Board and management team. This process of scrutiny has included the engagement of external consultants, who have confirmed that while some processes could be tightened (and this has been addressed), the low win rate simply comes down to the luck factor. With the Aristo having a heavy concentration of VIP players, the business in FY15 lacked the spread of smaller players required to counter the effects of a significant win by a VIP player. Management is working to address this issue via marketing plans to attract more main hall players.

Increases in operating expenses at the Aristo International Hotel primarily relate to the increased scale of operations at the new property, which opened in May 2014. The workforce was scaled up from 420 staff at the start of FY14, to 850 staff at the start of FY15. Staff numbers were scaled down to 800 during the year, but due to recent increases in business activity and visitation, have again been increased to 850.

The increase in cost of sales relates to food and beverage consumables, driven by the 149% increase in food and beverage revenues during the year. Property costs (housekeeping items etc) also increased, due to the 994% increase in accommodation revenues during the year.

Other Developments
The Gaming Technology businesses were successfully sold during the year. The primary business was iSentric Sdn Bhd, a successful mobile commerce business based in Kuala Lumpur. The spin-off of iSentric was completed on 23 September 2014, when iSentric Limited listed on the ASX under the code "ICU".

The other main Gaming Technology business was Way2Bet Pty Limited, which operated the Company's wagering marketing portal in Australia. This business was sold on 31 October 2014.

As a result of these disposals, both iSentric and Way2Bet have been treated as discontinuing operations in the FY15 statutory accounts.

Significant changes in the state of affairs
On 26 February 2014, the company announced that it planned to spin off its mobile technology business, iSentric Sdn Bhd, into a new company separately listed on the ASX. A binding Share Sale Agreement to implement the transaction was signed with OMI Holdings Limited on 9 May 2014. The agreed value for the sale was $12,000,000 in ordinary fully paid shares in OMI, which were distributed to Donaco shareholders in specie.

The transaction was completed on 23 September 2014, when OMI Holdings Limited changed its name to iSentric Limited and iSentric Limited was requoted on the ASX under the code "ICU". Donaco distributed its shares in the newly listed entity to Donaco shareholders in specie on 16 September 2014. Donaco shareholders with a minimum of 19,206 shares on the record date of 12 September 2014 received approximately 0.13 iSentric shares for each Donaco share. Holders of fewer Donaco shares had their entitlements sold, and received the proceeds of sale (less costs), in cash. No impairment loss was recognised on the reclassification of iSentric to a discontinued operation.

On the 31 October 2014, Way2Bet Pty Ltd, a subsidiary of the company which managed the company's online wagering marketing business, was sold to Punters Paradise Pty Limited. The net proceeds of sale to the Company were $450,000.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
The ultimate parent company, Donaco International Limited (DNA), entered into a share sale agreement on 23 January 2015, supplemental share sale agreement on 22 May 2015, and amending and restating deed on 18 June 2015 (the "Sale and Purchase Agreements") with independent third parties for the acquisition of the 100% equity interests in DNA Star Vegas Co., Ltd ("DNA Star") for a consideration of USD360 million. DNA Star is principally engaged in operation of a casino business in Cambodia. The consideration to be paid by DNA to the vendor was made by:

1. Deposit of USD5 million within 14 days of execution of the share sale agreement, which occurred in FY15.
2. USD135 million to be paid on completion date of acquisition.
3. USD120 million by issuing consideration shares in DNA on the completion date of acquisition.
4. USD100 million to be paid to an account or held in escrow in favour of the vendor.

According to the nomination letter signed on 22 June 2015, DNA nominated its wholly-owned subsidiary, Donaco Hong Kong Limited ("DHK"), to be the registered owner of DNA Star and vested unto DHK all of the rights, titles and interest in DNA Star under and/or pursuant to the Sale and Purchase Agreement.

The acquisition was completed on 1 July 2015. Consequent on the completion of the acquisition, applicable legal and consultancy fees of $10,444,225 were expensed and paid in the month of July 2015.

As part payment for the acquisition, a term loan of USD100 million from Mega International Commercial Bank Co, Ltd of Taiwan was drawn down on 1 July 2015, and the proceeds paid to the vendor.

Pursuant to a detailed valuation report and purchase price allocation report dated 22 January 2015 prepared by Colliers International Hong Kong Limited and its related party, Colliers International Thailand, the fair value of the business acquired by DNA was USD411.2 million. Since the price paid was USD360 million, this valuation would require the acquisition to be treated as a bargain purchase, which would require the excess of USD51.2 million to be recorded as a positive income amount in the Company's income statement.

However the Directors have decided to take a more conservative approach to the valuation, and will continue to evaluate the business and the assets acquired in more detail over the next 12 months, before deciding whether to treat the acquisition as a bargain purchase.

As a result of the successful acquisition of the Star Vegas Resort & Club on 1 July 2015, the FY15 statutory results relate only to the Company's pre-existing business, the Aristo International Hotel in Vietnam. Based on unaudited Star Vegas management accounts for FY15, the Aristo now represents approximately 15% of the Company's overall business, in terms of net (reported) revenue.

Unaudited management accounts for FY15 show that the Star Vegas achieved actual net revenue of $92.66 million, and earnings before interest, tax, depreciation and amortisation (EBITDA) of $70.22 million, with net profit after tax (NPAT) of $65.4 million. Normalised results show revenue of $100.82 million, EBITDA of $78.39 million, and NPAT of $73.56 million.

In order to provide working capital for the consolidated entity, a term loan facility in the amount of USD20 million from OL Master Limited was drawn down on 7 July 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments, business strategies and prospects
The company operates leisure and entertainment businesses across the Asia Pacific region.

Our largest business is the Star Vegas Resort & Club, a successful casino and hotel complex in Poipet, Cambodia, on the border with Thailand. Star Vegas was established in 1999, and is the largest and highest quality of the Poipet casino hotels. The property has more than 100 gaming tables, more than 1400 slot machines, and 385 hotel rooms.

Our flagship business is the Aristo International Hotel, a successful boutique casino in northern Vietnam, located on the border with Yunnan Province, China. Established in 2002, the property has recently been expanded to a brand new five star resort complex with 400 hotel rooms. Donaco is a pioneer casino operator in Vietnam, and owns a 95% interest in the business, in a joint venture with the Government of Vietnam.

The operation and marketing of both of these properties will underpin our growth during the next 12 months. Our strategy is to take advantage of the demand for leisure and entertainment in the Asia Pacific region, and to leverage the experience of the Board and management in the gaming sector. This will complement the growth at the expanded casinos in both Cambodia and Vietnam, and provide for diversification.

Material risks to this strategy include those affecting listed entities generally, and companies operating in Thailand, Cambodia and Vietnam generally. These risks include the possibility of adverse macroeconomic developments, such as exchange rate declines; cross-border disputes; or terrorist attacks affecting the Company's key target markets. Other material risks include the possibility of adverse regulatory change affecting casino operators, such as changes in tax rates, and the possibility of breach of licences or legislation. These risks are carefully monitored by the Board and management team.

These key risks should not be taken as the only risks that may affect the Company's operations, and many risks are outside the control of the Board and management team.

Except as noted above, information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Stuart James McGregor
Title:	Non-Executive Chairman
Qualifications:	B.Com, LLB, MBA
Experience and expertise:	Over the last 30 years, Mr McGregor has had a wide-ranging business career with active involvement across the Australasian and Asian Region. In business, he has been Company Secretary of Carlton United Breweries, Managing Director of Cascade Brewery Company Ltd in Tasmania and Managing Director of San Miguel Brewery Hong Kong Ltd, a publicly listed Hong Kong based company with subsidiary businesses in China. In the public sector, he served as Chief of Staff to a Minister for Industry and Commerce in the Federal Government, and as Chief Executive of the Tasmanian Government's economic development agency.
Other current directorships:	EBOS Group Limited (ASX:EBO)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Management Committee and the Nominations, Remuneration & Corporate Governance Committee.
Interests in shares:	347,235 ordinary shares
Interests in options:	None

Name:	Joey Lim Keong Yew
Title:	Managing Director & Chief Executive Officer
Qualifications:	B. Computer Science
Experience and expertise:	Mr J Lim is the Managing Director and Chief Executive Officer of Donaco International Limited. He is also a director of Malahon Securities Limited, a stock brokerage company founded in 1984, and is a member and participant of the Hong Kong Exchange. He is also the principal of the Slingshot Group of Companies, which are investment companies based in Hong Kong. Relevant experience includes: working as an executive director to M3 Technologies (Asia) Bhd where he was responsible for strategic investments and corporate affairs; working at VXL Capital, China, a company whose business was focused on investing in and restructuring companies in Malaysia, Beijing, Shanghai and Hong Kong; and working as Project Manager for Glaxo Wellcome, London, UK.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	264,358,496 ordinary shares
Interests in options:	913,843 unlisted employee options

Name:	Benedict Paul Reichel
Title:	Executive Director, Group General Counsel, Company Secretary
Qualifications:	BA, LLB (Hons), LLM (Hons)
Experience and expertise:	Mr Reichel is an executive and company director in the gaming, media, and technology sectors, with more than twenty years' experience in major Australian listed public companies and law firms. Mr Reichel held the position of Chief Executive Officer and Managing Director of the Company (then called Two Way Limited) from July 2007 to January 2012, and has remained on the Board since then. Previously, Mr Reichel was General Counsel of Tab Limited, a $2 billion ASX listed company with operations in wagering, gaming and media. Prior to that, he was General Counsel of racing broadcaster Sky Channel Pty Limited, and held a number of executive positions at Publishing and Broadcasting Limited.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	321,150 ordinary shares
Interests in options:	660,608 unlisted employee options

Name:	Benjamin Lim Keong Hoe
Title:	Non-Executive Director
Qualifications:	B.International Business
Experience and expertise:	Mr B Lim is a director of Donaco Singapore Pte Ltd, and a major shareholder of Genting Development Sdn Bhd, a substantial property development business in Malaysia. He has a Bachelors Degree in International Business with Design Management from Regent Business School, United Kingdom.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Management Committee and the Nominations, Remuneration & Corporate Governance Committee.
Interests in shares:	144,791,200 ordinary shares
Interests in options:	None

Name:	Robert Andrew Hines (appointed on 1 November 2013)
Title:	Non-Executive Director
Experience and expertise:	Mr Hines is one of Australia's leading gaming and wagering executives. As CEO of Racing Victoria Limited from 2008 to 2012, he led and managed the Victorian racing industry through a period of substantial change. Mr Hines also held CEO roles at Jupiters Limited (2000 to 2004), which was acquired by Tabcorp; and AWA Limited (1997 to 2000), which was acquired by Jupiters. From 2005 to 2008, he was CEO UK and Europe for Vecommerce Limited, a natural language speech recognition company providing services to wagering operators. Mr Hines currently holds the positions of Non-Executive Director with Sportsbet Australia Pty Ltd; Group Chairman CEO Circle; and Non-Executive Director of the Sporting Chance Cancer Foundation.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit & Risk Management Committee and the Nominations, Remuneration & Corporate Governance Committee.
Interests in shares:	110,714 ordinary shares
Interests in options:	None

Name:	Ham Techatut Sukjaroenkraisri (appointed 1 July 2015)
Title:	Executive Director
Qualifications:	BSc Chemical Engineering
Experience and expertise:	Mr Sukjaroenkaisri is Vice President, Casino at Star Vegas Casino & Resorts Co, Ltd. He has more than eight years' experience in gaming and casino management. In his role at Star Vegas, one of Cambodia's largest and most successful casino resorts, Mr Sukjaroenkaisri has been responsible for developing the model for the slot machine business. This has become one of the most successful and profitable businesses for Star Vegas, and has helped to put Star Vegas into its current leadership position in the Cambodian gaming market.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	73,599,764 ordinary shares
Interests in options:	None

Name:	Paul Porntat Amatavivadhana (appointed 1 July 2015)
Title:	Non-Executive Director
Qualifications:	MSc Management Science, BA Finance and Banking
Experience and expertise:	Mr Amatavivadhana is a founding principal and the CEO of Infinite Capital, a successful boutique corporate advisory firm based in Bangkok. He has considerable experience in Mergers & Acquisitions, Corporate Restructuring and Capital Raisings. Mr Amatavivadhana is currently an independent director at Sansiri Plc., one of the largest real estate developers in Thailand, which is listed on the Stock Exchange of Thailand. His previous roles include senior positions at Ayudhya Securities Plc (Managing Director); Ploenchit Advisory Co Ltd (Assistant Managing Director); UOB KayHian Securities (Thailand) Ltd; BNP Paribas Peregrine Securities (Thailand) Ltd and Securities One Plc.
Other current directorships:	Sansiri Plc (SET: SIRI)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

'Other current directorships' and 'Former directorships (last 3 years)' quoted above are directorships for listed entities only, and exclude directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only, and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Benedict Paul Reichel is an Executive Director and the Company Secretary. His qualifications and experience are set out above under 'Information on Directors'.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit & Risk Management Committee		Nominations, Remuneration & Corporate Governance Committee	
	Attended	Held	Attended	Held	Attended	Held
Stuart James McGregor	12	12	2	2	2	2
Joey Lim Keong Yew	12	12	-	-	-	-
Benedict Paul Reichel	12	12	-	-	-	-
Benjamin Lim Keong Hoe	9	12	2	2	2	2
Robert Andrew Hines	12	12	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency.

The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract and retain high quality personnel, and motivate them to achieve high performance.

The Board has an established Nominations, Remuneration and Corporate Governance Committee, consisting only of non-executive directors, with a majority of independent directors. It is primarily responsible for setting the overall remuneration policy and guidelines for the Company, and its functions include:

- reviewing and recommending to the Board for approval, the Company's general approach towards remuneration, and to oversee the development and implementation of remuneration programs;

- reviewing and recommending to the Board for approval, corporate goals and objectives relevant to the remuneration of the Managing Director/Chief Executive Officer, and evaluating the performance of the Managing Director/Chief Executive Officer in light of those goals and objectives;

- reviewing and recommending to the Board for approval, remuneration programs applicable to the Company executives, and ensuring that these programs differ from the structure of remuneration for non-executive directors; and

- reviewing the remuneration of non-executive directors, and ensuring that the structure of non-executive directors' remuneration is clearly distinguished from that of executives by ensuring that non-executive directors are remunerated by way of fees, do not participate in schemes designed for the remuneration of executives, do not receive options or bonus payments, and are not provided with retirement benefits other than statutory superannuation.

In consultation with external remuneration consultants when necessary (refer to the section 'Use of Remuneration Consultants' below), the Nominations, Remuneration and Corporate Governance Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The remuneration framework is aligned to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

The remuneration framework is also aligned to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

All remuneration paid to directors and executives is valued at cost to the Company and expensed.

In accordance with best practice corporate governance, the structures of remuneration for non-executive directors and for executives are separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Nominations, Remuneration and Corporate Governance Committee. The Nominations, Remuneration and Corporate Governance Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

There are no bonuses payable to non-executive directors, and there are no termination payments for non-executive directors on retirement from office, other than statutory superannuation entitlements. Non-executive directors are not granted options.

ASX Listing Rules require that the aggregate of non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the 2013 Annual General Meeting, where the shareholders approved a maximum aggregate remuneration of $750,000, including statutory superannuation contributions.

Executive remuneration
The consolidated entity's remuneration policy is to ensure that executive remuneration packages properly reflect a person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating executives of the highest calibre. As a result, remuneration packages for the Managing Director/Chief Executive Officer and senior executives include both fixed and performance-based remuneration. Base salary is determined by considering the scope of the executive's responsibility, importance to the business, competitiveness in the market, and assessed potential. The total remuneration package for executives includes superannuation and other non-cash benefits to reflect the total employment cost to the Company, inclusive of any fringe benefits tax.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- long term incentives, currently consisting primarily of the grant of options
- other remuneration such as superannuation and long service leave.

The combination of these components comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits (if any), is reviewed annually by the Nominations, Remuneration and Corporate Governance Committee, based on individual and business unit performance, the overall performance of the consolidated entity, and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentive ('STI') program is designed to align the targets of executives with the targets of the consolidated entity. STI payments are granted to executives based on the achievement of specific annual targets and key performance indicators ('KPIs'). During FY15, applicable KPIs related to achievement of corporate objectives, specifically the successful acquisition of the Star Vegas Resort & Club, and the successful raising of $132 million to enable the consolidated entity to achieve its objectives.

The long-term incentive ('LTI') program currently consists of participation in the Company's option plan. Options are awarded on an annual basis, ensuring that at any given time, the executives have at risk a number of plans, with different vesting periods and amounts. This also helps to smooth out both the risk and the cash flow for the Company and for executives. The option plan was established pursuant to shareholder approval given at the Annual General Meeting held on 21 November 2013.

Consolidated entity performance and link to remuneration
Remuneration for certain executives is directly linked to performance of the consolidated entity. Bonus and incentive payments are dependent on defined KPIs being met, and are at the discretion of the Nominations, Remuneration and Corporate Governance Committee.

The section headed "Additional Information" below provides information on the improvement in revenue, earnings, share price, and market capitalisation for the Consolidated Entity over the last three years.

The increase of 50% in the consolidated entity's market capitalisation is directly attributable to the successful acquisition of the Star Vegas Resort & Club on 1 July 2015. This has increased the Company's revenues by a factor of 5.4 times, based on unaudited management accounts for the Star Vegas in FY15. This has transformed the size and scale of the consolidated entity.

The Nominations, Remuneration and Corporate Governance Committee is of the opinion that the expansion of the size and scale of the consolidated entity's business during the year can be attributed in part to the adoption of performance based compensation, and is satisfied with the upwards trend in shareholder wealth. The Committee also considers that the remuneration framework in place will continue to increase shareholder wealth if maintained over the coming years, subject to any adjustments that are necessary or desirable to reflect the Company's growth.

Use of remuneration consultants
The consolidated entity did not engage remuneration consultants during the financial year ended 30 June 2015. Recommendations received from remuneration consultants in prior years were implemented during the year.

An agreed set of protocols is put in place at the time of engaging remuneration consultants, to ensure that any remuneration recommendations are free from undue influence from key management personnel. The Board is satisfied that there was no undue influence.

Voting and comments made at the company's 2014 Annual General Meeting ('AGM')
At the AGM held on 25 November 2014, 78.85% of the eligible votes received supported the adoption of the remuneration report for the year ended 30 June 2014. Eligible votes received represented approximately 23% of the total voting power in the Company at that time. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Donaco International Limited:
- Stuart James McGregor - Non-Executive Director and Chairman
- Joey Lim Keong Yew - Managing Director and Chief Executive Officer
- Benedict Paul Reichel - Executive Director, General Counsel and Company Secretary
- Benjamin Lim Keong Hoe - Non-Executive Director
- Robert Andrew Hines (appointed on 1 November 2013) - Non-Executive Director
- Ham Techatut Sukjaroenkraisri (appointed 1 July 2015) - Executive Director
- Paul Porntat Amatavivadhana (appointed 1 July 2015) - Non-Executive Director

And the following persons:
- Richard Na Chun Wee - Deputy Group CEO and Chief Financial Officer
- Kenny Goh Kwey Biaw - Deputy Chief Financial Officer and CEO of Donaco Singapore

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super $	Leave entitlements $	Equity-settled $	Total $
Non-Executive Directors:							
S J McGregor	155,606	-	-	14,783	-	-	170,389
Lim K H	144,792	-	-	-	-	-	144,792
R A Hines	137,300	-	-	13,044	-	-	150,344
Executive Directors:							
Lim K Y	514,008	163,293	-	-	-	160,187	837,488
B P Reichel	219,716	50,000	-	25,623	7,600	112,301	415,240
Other Key Management Personnel:							
Na C W	342,075	108,796	-	-	-	327,131	778,002
Goh K B	154,746	46,152	-	-	-	224,561	425,459
	1,668,243	368,241	-	53,450	7,600	824,180	2,921,714

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2014	Cash salary and fees $	Bonus $	Non-monetary $	Super $	Leave entitlements $	Equity-settled $	Total $
Non-Executive Directors:							
S J McGregor	139,737	-	-	12,926	-	-	152,663
Lim K H	131,172	-	-	-	-	-	131,172
R A Hines	91,533	-	-	8,467	-	-	100,000
G N Tan (resigned 6 September 2013)	13,500	-	-	-	-	-	13,500
Mak S W (resigned 23 December 2013)	61,636	-	-	-	-	-	61,636
Executive Directors:							
Lim K Y	432,868	72,145	-	-	-	-	505,013
B P Reichel	190,000	33,334	-	21,014	3,846	-	248,194
Other Key Management Personnel:							
Na C W	288,578	48,096	-	-	-	-	336,674
Goh K B	118,055	19,676	-	-	-	-	137,731
	1,467,079	173,251	-	42,407	3,846	-	1,686,583

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2015	2014	2015	2014	2015	2014
Non-Executive Directors:						
S J McGregor	100%	100%	-%	-%	-%	-%
Lim K H	100%	100%	-%	-%	-%	-%
R A Hines	100%	100%	-%	-%	-%	-%
G N Tan	-%	100%	-%	-%	-%	-%
Mak S W	-%	100%	-%	-%	-%	-%
Executive Directors:						
Lim K Y	61%	86%	19%	14%	20%	-%
B P Reichel	53%	87%	12%	13%	35%	-%
Other Key Management Personnel:						
Na C W	44%	86%	14%	14%	42%	-%
Goh K B	36%	86%	11%	14%	53%	-%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2015	Cash bonus paid/payable 2014	Cash bonus forfeited 2015	Cash bonus forfeited 2014
Executive Directors:				
Lim K Y	100%	100%	-%	-%
B P Reichel	100%	100%	-%	-%
Other Key Management Personnel:				
Na C W	100%	100%	-%	-%
Goh K B	100%	100%	-%	-%

Criteria for performance-based remuneration
The short-term incentive ('STI') program is designed to align the targets of executives with the targets of the consolidated entity. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved. The Board, advised by the Nominations, Remuneration and Corporate Governance Committee, applied these criteria in determining the award of performance-based remuneration during the year.

Performance-based bonuses were paid on 1 October 2014, with the total amounts set out in the tables above. These bonuses related to performance during FY14. The relevant criteria for award of these bonuses included the fact that during FY14, the Company's share price increased by a multiple of 2.65 times (an increase of 165%), and the Company's market capitalisation increased by a multiple of 3.28 times (an increase of 228%), as well as the successful raising of $100 million to enable the Company to pursue its objectives.

During FY15, applicable KPIs related to the achievement of corporate objectives, specifically the successful acquisition of the Star Vegas Resort & Club, and the successful raising of $132 million to enable the consolidated entity to pursue its objectives.

Service Agreements
Remuneration and other terms of employment for the Managing Director, Chief Financial Officer and the other key management personnel are formalised in contracts of employment. The service agreements specify the components of remuneration, benefits and notice periods. The specified executives are employed under contracts with no fixed term. The company may terminate the contracts immediately if the executive is guilty of serious misconduct or wilful neglect of duties. Otherwise, the company may terminate the contracts by giving three months' notice or paying three months' salary (in the case of Mr Lim, Mr Na and Mr Goh), or six months (in the case of Mr Reichel). In the case of Mr Lim and Mr Na, termination for any reason other than just cause will result in a termination payment of 24 months' base salary.

Share-based compensation

Issue of shares
Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Date	Shares	Issue price	$
Lim KY	1 October 2014	115,116	$0.989	113,849
B P Reichel	1 October 2014	50,556	$0.989	50,000
Na CW	1 October 2014	76,744	$0.989	75,899
Goh KB	1 October 2014	31,395	$0.989	31,050

Approval for the issue of these shares was obtained pursuant to ASX Listing Rule 10.14.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
1 July 2014	1 July 2014	1 July 2016	$0.590	$0.491
1 July 2014	1 July 2015	1 July 2017	$0.590	$0.560
1 July 2014	1 July 2016	1 July 2018	$0.590	$0.616

Options granted carry no dividend or voting rights.

Approval for the issue of these options was obtained pursuant to ASX Listing Rule 10.14.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Number of options granted during the year 2015	Number of options granted during the year 2014	Number of options vested during the year 2015	Number of options vested during the year 2014
Lim KY	407,371	-	152,466	-
BP Reichel	407,372	-	152,468	-
Na CW	1,585,594	-	550,766	-
Goh KB	1,210,174	-	410,258	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Number of options lapsed during the year #
Lim KY	224,400	-	-
BP Reichel	224,400	-	-
Na CW	878,445	-	-
Goh KB	671,645	-	-

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted $	Value of options vested $	Number of options lapsed	Value of options lapsed $
Lim KY	1 July 2014	1 July 2014	407,371	224,400	74,800	-	-
BP Reichel	1 July 2014	1 July 2014	407,372	224,400	74,801	-	-
Na CW	1 July 2014	1 July 2014	1,585,594	878,445	270,206	-	-
Goh KB	1 July 2014	1 July 2014	1,210,174	671,645	201,273	-	-

Additional information
The earnings of the consolidated entity for the three years to 30 June 2015 are summarised below:

	2015 $	2014 $	2013 $
Revenue from continuing operations	19,108,431	21,111,819	16,076,337
EBITDA	550,295	8,861,216	6,888,780
Profit/(loss) after income tax	(2,928,075)	6,793,403	7,026,196

Information relating to previous years is not directly comparable, as the consolidated entity listed on the ASX part way through 2013.

The factors that are considered to affect total shareholder return are summarised below:

	2015	2014	2013
Share price at financial year end ($)	0.75	0.90	0.34
Market capital at year end ($)	623,042,723	414,254,367	126,372,057
Basic earnings per share (cents per share)	(0.54)	2.22	2.53

The increase of 50% in the consolidated entity's market capitalisation is directly attributable to the successful acquisition of the Star Vegas Resort & Club on 1 July 2015. This has increased the Company's revenues by a factor of 5.4 times, based on unaudited management accounts for the Star Vegas in FY15. This has transformed the size and scale of the consolidated entity for the FY16 financial year onwards.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
S J McGregor	235,224	-	112,011	-	347,235
Lim K Y	207,281,355	115,116	56,962,025	-	264,358,496
B P Reichel	183,306	50,556	87,288	-	321,150
Lim K H	174,291,200	-	-	(29,500,000)	144,791,200
R A Hines	75,000	-	35,714	-	110,714
Na C W	5,455,000	76,744	-	(535,000)	4,996,744
Goh K B	700,000	31,395	-	-	731,395
	388,221,085	273,811	57,197,038	(30,035,000)	415,656,934

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Lim K Y	-	407,371	-	-	407,371
B P Reichel	-	407,372	-	-	407,372
Na C W	-	1,585,594	-	-	1,585,594
Goh K B	-	1,210,174	-	-	1,210,174
	-	3,610,511	-	-	3,610,511

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Donaco International Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
1 July 2014	1 July 2016	$0.590	1,365,959
1 July 2014	1 July 2017	$0.590	1,294,836
1 July 2014	1 July 2018	$0.590	1,249,716
1 July 2015	1 July 2017	$0.890	457,047
1 July 2015	1 July 2018	$0.890	395,208
1 July 2015	1 July 2019	$0.890	349,376
			5,112,142

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Donaco International Limited were issued during the year ended 30 June 2015 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
29 January 2013	$0.280	2,721,367
17 January 2012	$0.540	324,400
1 March 2012	$0.540	125,000
17 May 2012	$0.540	125,000
		3,295,767

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of William Buck

There are no officers of the company who are former partners of William Buck.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Auditor

William Buck continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Mr Stuart McGregor
Chairman

25 September 2015
Sydney

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DONACO INTERNATIONAL LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

M Nevill

M Nevill
Partner
Dated this 25th day of September, 2015

CHARTERED ACCOUNTANTS & ADVISORS

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Donaco International Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Revenue from continuing operations	4	19,108,431	21,111,819
Other income	5	(427,602)	121,674
Expenses			
Cost of sales	6	(2,208,639)	(1,270,995)
Employee benefits expense		(9,902,974)	(5,882,036)
Depreciation and amortisation expense	6	(4,857,120)	(270,153)
Legal and compliance		(605,044)	(452,412)
Marketing and promotions		(269,058)	(510,722)
Professional and consulting fees		(1,058,511)	(300,346)
Property costs		(1,202,828)	(545,837)
Telecommunications and hosting		(171,965)	(176,299)
Other expenses		(1,924,054)	(2,231,618)
Finance costs		(1,683,159)	(920)
Profit/(loss) before income tax (expense)/benefit from continuing operations		(5,202,523)	9,592,155
Income tax (expense)/benefit		361	(2,892,203)
Profit/(loss) after income tax (expense)/benefit from continuing operations		(5,202,162)	6,699,952
Profit after income tax expense from discontinued operations	8	2,201,761	1,570,130
Profit/(loss) after income tax expense for the year		(3,000,401)	8,270,082
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		12,412,538	(1,316,108)
Other comprehensive income for the year, net of tax		12,412,538	(1,316,108)
Total comprehensive income for the year		9,412,137	6,953,974
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(72,326)	1,476,679
Owners of Donaco International Limited	26	(2,928,075)	6,793,403
		(3,000,401)	8,270,082
Total comprehensive income for the year is attributable to:			
Continuing operations		(72,326)	1,603,297
Discontinued operations		-	-
Non-controlling interest		(72,326)	1,603,297
Continuing operations		7,203,984	3,780,547
Discontinued operations		2,280,479	1,570,130
Owners of Donaco International Limited		9,484,463	5,350,677
		9,412,137	6,953,974

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Donaco International Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
		Cents	**Cents**
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Donaco International Limited			
Basic earnings per share	38	(0.95)	1.70
Diluted earnings per share	38	(0.91)	1.66
Earnings per share for profit from discontinued operations attributable to the owners of Donaco International Limited			
Basic earnings per share	38	0.41	0.51
Diluted earnings per share	38	0.39	0.50
Earnings per share for profit/(loss) attributable to the owners of Donaco International Limited			
Basic earnings per share	38	(0.54)	2.22
Diluted earnings per share	38	(0.52)	2.16

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Donaco International Limited
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
Assets			
Current assets			
Cash and cash equivalents	9	210,175,119	98,034,937
Trade and other receivables	10	2,064,923	802,301
Inventories	11	700,866	1,405,726
Prepaid construction costs	12	273,207	18,815,625
Other	13	11,883,206	2,207,269
		225,097,321	121,265,858
Assets of disposal groups classified as held for sale		-	5,706,816
Total current assets		225,097,321	126,972,674
Non-current assets			
Property, plant and equipment	14	82,017,909	5,894,577
Intangibles	15	2,464,577	9,830,615
Construction in progress	16	205,737	39,151,630
Other	17	533,765	18,637
Total non-current assets		85,221,988	54,895,459
Total assets		310,319,309	181,868,133
Liabilities			
Current liabilities			
Trade and other payables	18	16,016,059	12,635,132
Borrowings	19	2,962,712	1,446,596
Income tax	20	427,505	4,851,700
Employee benefits	21	315,879	70,490
		19,722,155	19,003,918
Liabilities directly associated with assets classified as held for sale		-	2,998,897
Total current liabilities		19,722,155	22,002,815
Non-current liabilities			
Borrowings	22	13,217,093	10,608,370
Employee benefits	23	9,011	20,485
Total non-current liabilities		13,226,104	10,628,855
Total liabilities		32,948,259	32,631,670
Net assets		277,371,050	149,236,463
Equity			
Issued capital	24	246,719,609	129,964,909
Reserves	25	15,757,522	(478,093)
Retained profits	26	13,907,457	18,690,859
Equity attributable to the owners of Donaco International Limited		276,384,588	148,177,675
Non-controlling interest	27	986,462	1,058,788
Total equity		277,371,050	149,236,463

The above statement of financial position should be read in conjunction with the accompanying notes

Donaco International Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2013	34,692,937	964,633	12,745,584	3,599,303	52,002,457
Profit after income tax (expense)/benefit for the year	-	-	6,793,403	1,476,679	8,270,082
Other comprehensive income for the year, net of tax	-	(1,442,726)	-	126,618	(1,316,108)
Total comprehensive income for the year	-	(1,442,726)	6,793,403	1,603,297	6,953,974
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 24)	101,073,907	-	-	-	101,073,907
Unissued shares	(300,000)	-	300,000	-	-
Share issue expense	(5,501,935)	-	-	-	(5,501,935)
Additional holding in Lao Cai JV	-	-	(1,148,128)	(3,322,272)	(4,470,400)
Dividends paid to non-controlling interest	-	-	-	(821,540)	(821,540)
Balance at 30 June 2014	129,964,909	(478,093)	18,690,859	1,058,788	149,236,463

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2014	129,964,909	(478,093)	18,690,859	1,058,788	149,236,463
Loss after income tax (expense)/benefit for the year	-	-	(2,928,075)	(72,326)	(3,000,401)
Other comprehensive income for the year, net of tax	-	12,412,538	-	-	12,412,538
Total comprehensive income for the year	-	12,412,538	(2,928,075)	(72,326)	9,412,137
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 24)	133,340,451	-	-	-	133,340,451
Share buy backs	(825,113)	-	-	-	(825,113)
Share issue expense	(7,260,638)	-	-	-	(7,260,638)
Return of capital on iSentric sale*	(8,500,000)	-	-	-	(8,500,000)
Employee share options	-	1,967,750	-	-	1,967,750
Transfer from retained earnings	-	1,855,327	(1,855,327)	-	-
Balance at 30 June 2015	246,719,609	15,757,522	13,907,457	986,462	277,371,050

*Pursuant to the sale of iSentric Sdn Bhd to OMI Holdings Limited which took effect on 8th September 2014, the shareholders of Donaco voted at an extraordinary general meeting on 25 August 2014 to approve an ordinary resolution under section 256C of the *Corporations Act 2001*, to a return of Donaco's share capital to shareholders in the amount of $8,500,000. This equated to $0.0185 per Donaco ordinary share.

The above statement of changes in equity should be read in conjunction with the accompanying notes

Donaco International Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		26,924,930	34,465,583
Payments to suppliers and employees		(16,099,850)	(16,517,800)
		10,825,080	17,947,783
Other revenue		(358,371)	-
Interest received		2,463,582	566,303
Government levies, gaming taxes and GST		(4,427,829)	(8,825,898)
Net cash from operating activities	37	8,502,462	9,688,188
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(6,073,857)	-
Payments for property, plant and equipment		(26,354,575)	(41,262,043)
Proceeds from disposal of business		450,000	-
Proceeds from disposal of investments		-	103,865
Proceeds from disposal of property, plant and equipment		1,003	(186,673)
Other		6,720	-
Net cash used in investing activities		(31,970,709)	(41,344,851)
Cash flows from financing activities			
Proceeds from issue of shares		132,515,339	101,073,907
Net borrowings		1,785,151	12,054,966
Payment of equity raising expenses		(7,260,638)	(5,501,935)
Dividends paid by controlled entities to non-controlling interests		-	(821,540)
Purchase of additional 20% non controlling interest in Lao Cai JV		-	(4,470,400)
Net cash from financing activities		127,039,852	102,334,998
Net increase in cash and cash equivalents		103,571,605	70,678,335
Cash and cash equivalents at the beginning of the financial year		99,496,165	29,404,205
Effects of exchange rate changes on cash and cash equivalents		7,107,349	(586,375)
Cash and cash equivalents at the end of the financial year	9	210,175,119	99,496,165

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 January 2014 may increase the disclosures by the consolidated entity.

Annual Improvements to IFRSs 2010-2012 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 January 2015 will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 January 2015 will not have a material impact on the consolidated entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 1. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Donaco International Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Donaco International Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Donaco International Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Note 1. Significant accounting policies (continued)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Casino revenue
Revenue at the playing tables is recognised upon the differences between chips at the closing and chips at the opening of each table plus chips transferred from the playing table to the cage, less chips transferred from the cage to the playing table.

Revenue from slot machines represents the amount received over the exchange counter less the amount returned to customers.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract.

Rendering of services
Revenue from the provision of services is recognised in the accounting period in which the services are rendered.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Inventories include consumable stores, food and beverages and are carried at the lower of cost and net realisable value. Cost is determined on a first-in-first-out basis and comprises all costs of purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in the statement of profit or loss and other comprehensive income, in the period in which the reversal occurs.

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and structures	25 years
Machinery and equipment	5-10 years
Motor vehicles	3-6 years
Office equipment and other	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Operating lease payments, net of any incentives received from the lessor, are charged to the statement profit or loss and other comprehensive income, on a straight-line basis over the term of the lease.

Intangible assets
The intangible asset includes costs incurred to acquire interests in the usage of land in the Socialist Republic of Vietnam for the original hotel, located in Lao Cai. The term of the agreement is 30 years from the initial licencing date of 19 July 2002. These land use rights are stated at cost less accumulated amortisation. Amortisation is calculated on a straight line basis over a period of 30 years, from the licencing date. At the expiry of the land term it is expected, that the relevant State body will consider an application for extension.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Prepaid construction costs
Amounts recognised as prepaid construction costs relate to tranche payments made to third party developers in connection with the construction of the new Lao Cai Casino. Tranche payments are made in advance of construction work being performed in accordance with the terms of the contractor agreements, however once associated works have been completed an amount equal to the tranche payment is transferred from prepaid construction costs to construction in progress. Once recognised as part of construction in progress the amounts are then carried on the Statement of Financial Position at cost, until such time as the asset is completed and ready for its intended use. Work in progress is not depreciated, but tested for impairment annually. Once ready for its intended use an amount equal to the cost of the completed asset will be transferred to property plant and equipment and accounted for in accordance with the consolidated entity’s accounting policy for property plant and equipment.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred including:
- interest on short term and long term borrowings.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be wholly settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Donaco International Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

Interpretation 21 Levies
This interpretation is applicable to annual reporting periods beginning on or after 1 January 2014. The Interpretation clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. The adoption of the interpretation from 1 January 2014 will not have a material impact on the consolidated entity.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments makes amendments to AASB 9 to: (i) replace the general hedge accounting requirements to more closely align hedge accounting with risk management activities undertaken when hedging financial and non-financial risks; (ii) permit fair value changes due to changes in 'own credit risk' of financial liabilities measured at fair value to be recognised through other comprehensive income, without applying all other requirements of AASB 9 at the same time; and (iii) defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2017. This application date is subject to review and is expected to be revised by the IASB.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable methods of Depreciation and Amortisation.
This Standard makes amendments to AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets. The main principle is to establish the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset rather than associated to revenue streams. This Standard applies to annual reporting periods beginning on or after 1 January 2016.The Company has not elected early adoption.

Note 1. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
IFRS 15 ‘Revenue from Contracts with Customers’ contains new requirements for the recognition of revenue. The standard will also include additional disclosures about revenue. Adoption of IFRS 15 is not mandatory until annual periods beginning on or after 1 January 2017 and 1 January 2018 respectively. Early adoption is permitted. The potential financial impact to the Group is not yet possible to determine.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into three operating segments: Casino operations, Gaming Technology operations and Corporate operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Casino Operations	Comprises the Aristo International Hotel operations, including hotel accommodation, gaming and leisure facilities, operated in Vietnam.
Gaming Technology Operations	Comprises the operation and development of gaming technology, including mobile payment gateways and interactive media and gambling applications for deployment on television, mobile and internet.
Corporate Operations	Comprises of the development and implementation of corporate strategy, commercial negotiations, corporate finance, treasury, management accounting, corporate governance and investor relations functions.

The consolidated entity is domiciled in Australia and operates predominantly in four countries: Australia, Vietnam, Singapore and Malaysia.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Note 3. Operating segments (continued)

Operating segment information for continuing and discontinuing operations

Consolidated - 2015	Casino Operations $	Gaming Technology Operations* $	Corporate Operations $	Total $
Revenue				
Sales revenue	17,069,618	1,296,742	1,308	18,367,668
Interest	40,310	2,529	1,997,195	2,040,034
Total revenue	17,109,928	1,299,271	1,998,503	20,407,702
EBITDA	6,382,587	34,930	(5,867,222)	550,295
Depreciation and amortisation	(4,833,763)	(2,743)	(23,357)	(4,859,863)
Gain on disposal of discontinued operation	-	-	2,203,374	2,203,374
Interest revenue	40,310	2,529	1,997,195	2,040,034
Other income	-	(6,206)	-	(6,206)
Non-recurring items	-	-	(715,187)	(715,187)
Net exchange gains	(86,577)	-	(341,025)	(427,602)
NCI	(72,326)	-	-	(72,326)
Finance costs	(1,683,159)	-	-	(1,683,159)
Tax expense disposed operations	-	(30,122)	-	(30,122)
Loss before income tax benefit	(252,928)	(1,612)	(2,746,222)	(3,000,762)
Income tax benefit				361
Loss after income tax benefit				(3,000,401)
Assets				
Segment assets	96,330,444	-	213,988,865	310,319,309
Total assets				310,319,309
Liabilities				
Segment liabilities	52,459,098	-	(19,510,839)	32,948,259
Total liabilities				32,948,259

* The above operating segment information includes iSentric Sdn Bhd,. Way2Bet Pty Ltd and Donaco Australia Pty Ltd which are discontinued operations as at 30 June 2015.

Note 3. Operating segments (continued)

Consolidated - 2014	Casino Operations $	Gaming Technology Operations* $	Total $
Revenue			
Sales revenue	19,471,405	8,821,721	28,293,126
Interest	101,529	851,093	952,622
Total revenue	19,572,934	9,672,814	29,245,748
EBITDA	8,943,888	(82,672)	8,861,216
Depreciation and amortisation	(270,153)	(21,937)	(292,090)
Interest	101,529	851,093	952,622
Other income	-	52,844	52,844
Net exchange gains	126,732	(5,059)	121,673
NCI	1,476,679	-	1,476,679
Profit before income tax expense	10,378,675	794,269	11,172,944
Income tax expense			(2,902,862)
Profit after income tax expense			8,270,082
Assets			
Segment assets	84,807,927	97,060,206	181,868,133
Total assets			181,868,133
Total assets includes:			
Acquisition of non-current assets	39,151,630	-	39,151,630
Liabilities			
Segment liabilities	24,463,950	3,316,020	27,779,970
Unallocated liabilities:			
Provision for income tax			4,851,700
Total liabilities			32,631,670

* The above operating segment information includes iSentric Sdn Bhd, the discontinuing operation as at 30 June 2014, which is reported under the category Gaming Technology Operations.

Geographical information

	Sales to external customers		**Geographical non-current assets**	
	2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
Australia	1,308	747,050	3,038,226	9,805,003
Vietnam	17,069,618	19,471,405	82,183,762	44,863,004
Other countries (discontinuing operation)	1,296,742	8,074,671	-	227,452
	18,367,668	28,293,126	85,221,988	54,895,459

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 3. Operating segments (continued)

Revenue and other income

	Consolidated 2015 $	Consolidated 2014 $
Total reportable segment revenues	17,070,926	20,165,611
Other segment revenues	1,609,903	1,067,882
Discontinued operation	1,299,271	8,133,929
Total revenue and other income	19,980,100	29,367,422

The group did not engage in inter-group sales, hence there were no intersegment revenues.

Note 4. Revenue

	Consolidated 2015 $	Consolidated 2014 $
From continuing operations		
Sales revenue		
Casino operations	17,013,088	19,471,405
Corporate operations	1,308	694,206
	17,014,396	20,165,611
Other revenue		
Interest	2,037,505	946,208
Casino operations	56,530	-
	2,094,035	946,208
Revenue from continuing operations	19,108,431	21,111,819

Note 5. Other income

	Consolidated 2015 $	Consolidated 2014 $
Net foreign exchange (loss) gain	(427,602)	121,674

Note 6. Expenses

	Consolidated	
	2015	**2014**
	$	**$**
Profit/(loss) before income tax from continuing operations includes the following specific expenses:		
Cost of sales		
Cost of sales	2,208,639	1,270,995
Depreciation		
Land buildings and structures	1,371,729	58,758
Machinery and equipment	1,459,734	108,821
Office equipment and other	202,989	45,081
Motor vehicles	101,022	57,493
Consumables	1,721,646	-
Total depreciation	4,857,120	270,153
Superannuation expense		
Defined contribution superannuation expense	71,310	63,296

Note 7. Income tax expense/(benefit)

	Consolidated	
	2015	**2014**
	$	**$**
Income tax expense/(benefit)		
Current tax	-	2,883,202
Adjustment recognised for prior periods	(361)	19,660
Aggregate income tax expense/(benefit)	(361)	2,902,862
Income tax expense/(benefit) is attributable to:		
Profit/(loss) from continuing operations	(361)	2,892,203
Profit from discontinued operations	-	10,659
Aggregate income tax expense/(benefit)	(361)	2,902,862
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit from continuing operations	(5,202,523)	9,592,155
Profit before income tax expense from discontinued operations	2,201,761	1,580,789
	(3,000,762)	11,172,944
Tax at the statutory tax rate of 30%	(900,229)	3,351,883
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable or deductible items	472,075	284,972
	(428,154)	3,636,855
Adjustment recognised for prior periods	(361)	19,660
Difference in overseas tax rates	428,154	(753,653)
Income tax expense/(benefit)	(361)	2,902,862

Note 8. Discontinued operations

Description
On 26 February 2014, the company announced that it planned to spin off its mobile technology business, iSentric Sdn Bhd, into a new company separately listed on the ASX. A binding Share Sale Agreement to implement the transaction was signed with OMI Holdings Limited on 9 May 2014. The agreed value for the sale was $12,000,000 in ordinary fully paid shares in OMI, which were distributed to Donaco shareholders in specie.

The transaction was completed on 23 September 2014, when OMI Holdings Limited changed its name to iSentric Limited and iSentric Limited was requoted on the ASX under the code "ICU". Donaco distributed its shares in the newly listed entity to Donaco shareholders in specie on 16 September 2014. Donaco shareholders with a minimum of 19,206 shares on the record date of 12 September 2014 received approximately 0.13 iSentric shares for each Donaco share. Holders of fewer Donaco shares had their entitlements sold, and received the proceeds of sale (less costs), in cash. No impairment loss was recognised on the reclassification of iSentric to a discontinued operation.

On the 31 October 2014, Way2Bet Pty Ltd, a subsidiary of the company which managed the company's online wagering marketing business, was sold to Punters Paradise Pty Limited. The net proceeds of sale to the Company were $450,000.

Information on the financial performance of the discontinued operation during the year ended 30 June 2015 is set out below.

Financial performance information

	Consolidated	
	2015	**2014**
	$	**$**
Discontinued revenue Mobile business solution	1,148,201	-
Gaming technology operations	148,541	8,127,515
Interest	2,529	6,414
Total revenue	1,299,271	8,133,929
Other income	12,824	-
Total other income	12,824	-
Cost of sales	(746,309)	(4,971,121)
Employee benefits expense	(196,389)	(715,749)
Depreciation and amortisation expense	(2,743)	(21,937)
Legal and compliance	(20,283)	(20,606)
Marketing and promotions	(79,452)	(254,304)
Professional and consulting fees	(174,112)	(134,945)
Property costs	(6,972)	(34,870)
Telecommunications and hosting	(9,929)	(14,618)
Discontinued tax expense	(30,123)	-
Other expenses	(47,396)	(384,990)
Total expenses	(1,313,708)	(6,553,140)
Profit/(loss) before income tax expense	(1,613)	1,580,789
Income tax expense	-	(10,659)
Profit/(loss) after income tax expense	(1,613)	1,570,130
Discontinued disposal iSentric	1,753,464	-
Discontinued disposal Way2Bet	449,910	-
Income tax expense	-	-
Gain on disposal after income tax expense	2,203,374	-
Profit after income tax expense from discontinued operations	2,201,761	1,570,130

Note 8. Discontinued operations (continued)

Cash flow information

	Consolidated 2015 $	Consolidated 2014 $
Net cash from operating activities	1,613,329	1,477,253
Net cash used in investing activities	-	(209,172)
Net increase in cash and cash equivalents from discontinued operations	1,613,329	1,268,081

Carrying amounts of assets and liabilities disposed

	Consolidated 2015 $	Consolidated 2014 $
Cash and cash equivalents	1,613,329	-
Trade and other receivables	3,732,628	-
Other current assets	102,148	-
Property, plant and equipment	36,471	-
Other non-current assets	181,723	-
Total assets	5,666,299	-
Trade and other payables	2,790,322	-
Total liabilities	2,790,322	-
Net assets	2,875,977	-

Details of the disposal

	Consolidated 2015 $	Consolidated 2014 $
Total sale consideration	12,450,000	-
Carrying amount of net assets disposed	(2,875,977)	-
Goodwill disposed	(7,370,649)	-
	-	-
Gain on disposal before tax income	2,203,374	-
Income tax expense	-	-
Gain on disposal after income tax	2,203,374	-

Note 9. Current assets - cash and cash equivalents

	Consolidated 2015 $	Consolidated 2014 $
Cash on hand	8,613,555	5,514,580
Cash at bank	201,561,564	6,160,255
Cash on deposit	-	86,360,102
	210,175,119	98,034,937

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2015 $	2014 $
Balances as above	210,175,119	98,034,937
Cash and cash equivalents - classified as held for sale	-	1,461,228
Balance as per statement of cash flows	210,175,119	99,496,165

Note 10. Current assets - trade and other receivables

	Consolidated 2015 $	Consolidated 2014 $
Trade receivables	1,010,426	449,720
Receivable from related parties	-	27,039
Interest receivable on bank deposits	7,485	294,551
BAS and VAT receivable	1,047,012	30,991
	2,064,923	802,301

In the FY2014, BAS and VAT receivables of $30,991 were classified as Current assets - Other. For FY2015 this category has been reclassified as Current assets- Trade and other receivables.

Impairment of receivables
The consolidated entity has recognised a loss of $0 (2014: $0) in profit or loss in respect of impairment of receivables for the year ended 30 June 2015.

Note 11. Current assets - inventories

	Consolidated 2015 $	Consolidated 2014 $
Food and beverage - at cost	700,866	1,405,726

Note 12. Current assets - prepaid construction costs

	Consolidated 2015 $	Consolidated 2014 $
Prepaid construction costs	273,207	18,815,625

Amounts recognised as prepaid construction costs relate to tranche payments made to third party developers in connection with the construction of the new Aristo Casino. Tranche payments are made in advance of construction work being performed in accordance with the terms of the contractor agreements, however once associated works have been completed an amount equal to the tranche payment is transferred from prepaid construction costs to non current construction in progress.

Note 13. Current assets - other

	Consolidated 2015 $	Consolidated 2014 $
Bonds and security deposits	8,167	8,167
Tax receivable	546	1,238,204
Prepayments	11,874,493	960,898
	11,883,206	2,207,269

In the FY2014, BAS and VAT receivables of $30,991 were classified as Current assets - Other. For FY2015 this category has been reclassified as Current assets- Trade and other receivables.

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2015 $	Consolidated 2014 $
Leasehold buildings and structures - at cost	62,808,775	1,170,778
Less: Accumulated depreciation	(2,099,485)	(488,769)
	60,709,290	682,009
Machinery and equipment - at cost	17,491,217	3,699,023
Less: Accumulated depreciation	(3,224,294)	(1,366,871)
	14,266,923	2,332,152
Motor vehicles - at cost	627,077	512,538
Less: Accumulated depreciation	(233,519)	(143,948)
	393,558	368,590
Office equipment and other- at cost	1,797,220	1,671,963
Less: Accumulated depreciation	(486,099)	(202,541)
	1,311,121	1,469,422
Consumables	7,058,663	1,240,787
Less: Accumulated depreciation	(1,721,646)	(198,383)
	5,337,017	1,042,404
	82,017,909	5,894,577

Note 14. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold buildings $	Machinery and equipment $	Motor vehicles $	Office equipment and other $	Consumables $	Total $
Balance at 1 July 2013	739,839	482,984	183,731	94,054	-	1,500,608
Additions	-	1,766,859	270,120	1,230,192	1,042,404	4,309,575
Disposals	-	(12,950)	(50,415)	-	-	(63,365)
Exchange differences	(996)	191,130	(5,691)	190,257	-	374,700
Transfers in/(out)	-	12,950	28,338	-	-	41,288
Depreciation expense	(56,834)	(108,821)	(57,493)	(45,081)	-	(268,229)
Balance at 30 June 2014	682,009	2,332,152	368,590	1,469,422	1,042,404	5,894,577
Additions	61,346,689	11,576,307	66,193	1,214,941	5,775,378	79,979,508
Disposals	(8,525)	-	-	(205)	-	(8,730)
Exchange differences	58,742	387,480	59,797	284,954	240,881	1,031,854
Transfers in/(out)	-	1,430,718	-	(1,455,002)	-	(24,284)
Depreciation expense	(1,369,625)	(1,459,734)	(101,022)	(202,989)	(1,721,646)	(4,855,016)
Balance at 30 June 2015	60,709,290	14,266,923	393,558	1,311,121	5,337,017	82,017,909

In the FY2014, Consumables of WDV $1,042,404 were classified as Non current assets - Other. For FY2015 this category has been reclassified as Non current assets- Property, plant and equipment. It represents low value, high turnover items that are depreciated in accordance with company policy and local legislation.

In the FY2014, Land right of $33,779 was classified as Non current assets - Property, plant and equipment. For FY2015 this category has been reclassified as Non current assets- Intangibles

Note 15. Non-current assets - intangibles

	Consolidated 2015 $	Consolidated 2014 $
Goodwill - at cost	2,426,187	9,796,836
Land right - at cost	69,474	56,642
Less: Accumulated amortisation	(31,084)	(22,863)
	38,390	33,779
	2,464,577	9,830,615

Note 15. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land right $	Goodwill $	Total $
Balance at 1 July 2013	52,358	9,796,836	9,849,194
Exchange differences	(16,654)	-	(16,654)
Amortisation expense	(1,925)	-	(1,925)
Balance at 30 June 2014	33,779	9,796,836	9,830,615
Disposals	-	(7,370,649)	(7,370,649)
Exchange differences	6,715	-	6,715
Amortisation expense	(2,104)	-	(2,104)
Balance at 30 June 2015	38,390	2,426,187	2,464,577

Impairment testing of goodwill
Goodwill is monitored by the Chief Operating Decision Maker ('CODM') at the cash generating unit level. CODM reviews the business performance based on geography and type of business. It has identified two reportable cash generating units. A business-level summary of the goodwill allocation is presented below:

	Consolidated	
	2015 **$**	**2014** **$**
Donaco Singapore	2,426,187	2,426,187
iSentric	-	7,370,649
Total goodwill	2,426,187	9,796,836

The recoverable amount of the cash generating unit of Donaco Singapore has been determined based on the value in use calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a five year period.

The Group determines whether goodwill is impaired at least on an annual basis. To do so, the Group employs a value in use calculation using cash flow projections from financial budgets approved by senior management. Management has forecast a strong growth rate in budgeted gross margin for FY 2016 based on the growth in revenue from Aristo's main gaming floor, VIP gaming, and the increase in the number of slot machines. The new hotel room, entertainment, restaurant and bar revenue lines, with associated marketing programs, will increase visitation to the new hotel, which will also contribute to overall revenue growth. Gross margin projections for future years are based on past performance and management's expectations for future performance in each segment.

Management determined budgeted gross margin based on past performance and its expectations for the future and are considered to be reasonably achievable. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate.

The recoverable amount calculation for goodwill is most sensitive to changes in growth rate and EBIT margin on sales. Based on sensitivity analysis performed, no reasonable change in these assumptions would give rise to an impairment.

Land right
Intangible asset of $38,390 which relates to a 30 year land use right in the Socialist Republic of Vietnam. Land use right is stated at cost less accumulated amortisation and any impairment losses. The amortisation period is 30 years. This intangible asset is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

In the FY2014, Land right of $33,779 was classified as Non current assets - Property, plant and equipment. For FY2015 this category has been reclassified as Non current assets- Intangibles

Note 16. Non-current assets - construction in progress

	Consolidated	
	2015	**2014**
	$	**$**
Property construction works in progress - at cost	205,737	39,151,630

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Construction WIP $
Balance at 1 July 2013	12,336,321
Additions	27,005,239
Exchange differences	(189,930)
Balance at 30 June 2014	39,151,630
Additions	26,073,612
Revaluation increments	8,869,600
Transfers in/(out)	(73,889,105)
Balance at 30 June 2015	205,737

Construction relates to costs incurred by the new construction of the Aristo Casino.

Amounts previously recognised as prepaid construction costs, are transferred to construction in progress, once associated works have been completed.

Once recognised as part of construction in progress the amounts are then carried on the Statement of Financial Position at cost, until such time as the asset is completed and ready for its intended use. Work in progress is not depreciated, but tested for impairment annually. Once ready for its intended use an amount equal to the cost of the completed asset will be transferred to property plant and equipment or non current prepayment and accounted for in accordance with the consolidated entity's accounting policy for each asset class.

All borrowing costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or production of the qualifying asset, that necessarily take a substantial period of time to get ready for their intended use, are capitalised as part of the cost of the asset, until substantially all those activities necessary to prepare the qualifying asset for its intended use, or sale, are complete. Total capitalised as at 30 June 2015 is $31,565 (2014: $1,232,870).

Note 17. Non-current assets - other

	Consolidated	
	2015	**2014**
	$	**$**
Other debtors	533,765	18,637

In the FY2014, Consumables of WDV $1,042,404 were classified as Non current assets - Other debtors. For FY2015 this category has been reclassified as Non current assets- Property, plant and equipment. It represents low value, high turnover items that are depreciated in accordance with company policy and local legislation.

Note 18. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	$	$
Trade payables	3,160,938	1,909,478
Intercompany payable	9,081	-
Deposits received	115,098	85,989
Floating chips	12,326,032	9,282,203
Interest payable	141,494	-
Other payables and accrued expenses	263,416	1,357,462
	16,016,059	12,635,132

Refer to note 29 for further information on financial instruments.

Floating chips
The number of floating chips is determined as the difference between the number of chips in use and the actual chips counted by the casino as at reporting date.

Note 19. Current liabilities - borrowings

	Consolidated	
	2015	2014
	$	$
Joint Stock Commercial Ocean Bank	2,916,691	1,446,596
Joint Stock Commercial Bank for Foreign Trade of Vietnam	46,021	-
	2,962,712	1,446,596

Refer to note 29 for further information on financial instruments.

Total secured liabilities
The total secured current liabilities are as follows:

	Consolidated	
	2015	2014
	$	$
Joint Stock Commercial Ocean Bank	2,916,691	1,446,596
Joint Stock Commercial Bank for Foreign Trade of Vietnam	46,021	-
	2,962,712	1,446,596

Assets pledged as security
The bank overdraft and loans are secured by first mortgages over the consolidated entity's land and buildings.

Note 19. Current liabilities - borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit (current and non current):

	Consolidated	
	2015	2014
	$	$
Total facilities		
Bank loans	21,808,808	17,988,139
Used at the reporting date		
Bank loans	16,179,805	12,054,966
Unused at the reporting date		
Bank loans	5,629,003	5,933,173

Note 20. Current liabilities - income tax

	Consolidated	
	2015	2014
	$	$
Provision for income tax	427,505	4,851,700

Note 21. Current liabilities - employee benefits

	Consolidated	
	2015	2014
	$	$
Annual leave	52,240	32,928
Long service leave	18,986	-
Other	244,653	37,562
	315,879	70,490

Note 22. Non-current liabilities - borrowings

	Consolidated	
	2015	2014
	$	$
Joint Stock Commercial Ocean Bank	13,125,107	10,608,370
Joint Stock Commercial Bank for Foreign Trade of Vietnam	91,986	-
	13,217,093	10,608,370

Refer to note 29 for further information on financial instruments.

Note 22. Non-current liabilities - borrowings (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2015 $	Consolidated 2014 $
Joint Stock Commercial Ocean Bank	16,041,798	12,054,966
Joint Stock Commercial Bank for Foreign Trade of Vietnam	138,007	-
	16,179,805	12,054,966

Assets pledged as security
The bank overdraft and loans are secured by first mortgages over the consolidated entity's land and buildings.

On 11 July 2011, the Lao Cai International Hotel Joint Venture (the Borrower) entered into a loan agreement with Joint Stock Commercial Ocean Bank (the Lender) for a lending facility of VND 180 billion Vietnamese dong, for use towards construction of the new Lao Cai International Hotel. A second agreement was signed on 25 December 2013 for a lending facility for an additional VND 180 billion. The term of the loan is 7 years payable by 2 October 2020.

On 7 April 2015 the Lao Cai International Hotel Joint Venture (the Borrower) entered into a second loan agreement with Joint Stock Commercial Bank for Foreign Trade of Vietnam for a lending facility of VND 3 billion Vietnamese dong for the purchase of capital equipment. The term is 3 years at 10.5%pa.

Note 23. Non-current liabilities - employee benefits

	Consolidated 2015 $	Consolidated 2014 $
Long service leave	-	20,485
Employee benefits	9,011	-
	9,011	20,485

Note 24. Equity - issued capital

	Consolidated 2015 Shares	Consolidated 2014 Shares	Consolidated 2015 $	Consolidated 2014 $
Ordinary shares - fully paid	683,524,102	460,282,631	246,719,609	129,964,909

Note 24. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2013	371,719,896		34,692,937
Issued shares	26 November 2013	29,300,000	$0.860	25,198,000
Issued shares	16 December 2013	20,000	$0.860	17,200
Issued shares	1 April 2014	26,748,344	$1.330	35,575,297
Issued shares	12 May 2014	29,642,635	$1.330	39,424,705
DNAO option conversion	multiple	2,851,756	$0.300	858,705
Unissued shares	31 December 2013	-	$0.000	(300,000)
Less: transaction costs arising on share issue	multiple	-	$0.000	(5,501,935)
Balance	30 June 2014	460,282,631		129,964,909
Issued shares	multiple	219,621,175	$0.600	131,486,827
DNAO option conversion	multiple	898,929	$0.300	1,028,511
DNAO option conversion	multiple	2,721,367	$0.280	-
Less: transaction costs arising on share issue	multiple	-	$0.000	(7,260,638)
Return of capital on iSentric sale		-	$0.000	(8,500,000)
Balance	30 June 2015	683,524,102		246,719,609

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2014 Annual Report.

Note 25. Equity - reserves

	Consolidated	
	2015	2014
	$	$
Revaluation surplus reserve	1,855,327	-
Foreign currency reserve	11,934,445	(478,093)
Employee share option reserve	1,967,750	-
	15,757,522	(478,093)

Note 25. Equity - reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Employee share option reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of net assets of disposed entities.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Revaluation surplus reserve* $	Employee share option reserve $	Foreign currency $	Total $
Balance at 1 July 2013	-	-	964,633	964,633
Foreign currency translation	-	-	(1,442,726)	(1,442,726)
Balance at 30 June 2014	-	-	(478,093)	(478,093)
Revaluation - gross	2,978,285	-	-	2,978,285
Foreign currency translation	-	-	12,412,538	12,412,538
Employee share option reserve	-	1,967,750	-	1,967,750
Transfer to retained earnings	(1,122,958)	-	-	(1,122,958)
Balance at 30 June 2015	1,855,327	1,967,750	11,934,445	15,757,522

* The Revaluation surplus reserve is used to recognise increments and decrements in the fair value of net assets of disposed entities.

Note 26. Equity - retained profits

	Consolidated 2015 $	Consolidated 2014 $
Retained profits at the beginning of the financial year	18,690,859	12,745,584
Profit/(loss) after income tax expense for the year	(2,928,075)	6,793,403
Transfer to revaluation surplus reserve*	(2,978,285)	-
Transfer from options reserve	-	300,000
Transfer from other reserves**	1,122,958	-
Adjustment on the acquisition of non-controlling interest	-	(1,148,128)
Retained profits at the end of the financial year	13,907,457	18,690,859

* Relates to the disposal of iSentric.

**Fair value adjustment on the acquisition of non-controlling interest from 24 July 2013.

Note 27. Equity - non-controlling interest

	Consolidated	
	2015	**2014**
	$	**$**
Retained profits	986,462	1,058,788

Note 28. Equity - dividends

There were no dividends to shareholders paid, recommended or declared during the current or previous financial year. A dividend was paid by the Lao Cai International Hotel Joint Venture Company to non-controlling interests (the Vietnamese Government) in the previous financial year.

The consolidated entity's dividend policy is unchanged from that set out in the prospectus dated 13 December 2012, which stated:

The Company intends to pay dividends to Shareholders in the future subject to the availability of sufficient profits and franking credits and subject to the Company's then current working capital requirements and growth plans. Shareholders should note that the payment of dividends is not guaranteed.

Note 29. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rate will affect the Consolidated Entity's income.

Foreign currency risk
The consolidated entity is exposed to foreign exchange fluctuations in relation to cash generated for working capital purposes, denominated in foreign currencies and net investments in foreign operations, namely Vietnam and Malaysia.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. An assessment of the sensitivity of the Consolidated Entity’s exposure to interest rate movements was performed, and was found to be immaterial for the purposes of this disclosure.

Exchange rate exposures are managed within approved policy parameters and material movements are not expected. The consolidated entity does not enter into any forward exchange contracts to buy or sell specified foreign currencies.

Note 29. Financial instruments (continued)

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	2015	**2014**	**2015**	**2014**
Australian dollars				
USD	1.2066	1.0931	1.3021	1.0616
VND	0.0001	0.0001	0.0001	0.0001
CNY	5.1264	5.6245	4.7661	5.8466
MYR	0.3485	0.3359	0.3443	0.3307
SGD	0.9200	0.9070	0.9671	0.8501
HKD	0.1556	0.1409	0.1680	0.1370

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2015	**2014**	**2015**	**2014**
Consolidated	**$**	**$**	**$**	**$**
USD	178,267,338	8,325,884	(6,013,131)	(2,265,498)
VND	26,998,893	24,407,168	(13,970,745)	(11,939,946)
CNY	8,515,466	5,234,206	(12,326,033)	(10,076,241)
MYR	27,636	29,269	(1,104)	(1,058)
SGD	47,643	46,987	(11,067)	(7,644)
HKD	94,811	-	-	-
	213,951,787	38,043,514	(32,322,080)	(24,290,387)

A 5% strengthening of the AUD against the various foreign currencies at the balance date would increase/(decrease) the Company's profit/(loss) after tax by the amounts shown below. The analysis assumes that all other variables remain constant.

	AUD strengthened	
Consolidated - 2015	**% change**	**Effect on profit after tax**
USD	5%	(8,612,710)
VND	5%	(651,407)
CNY	5%	190,528
MYR	5%	(1,327)
SGD	5%	(1,829)
HKD	5%	(4,740)
		(9,081,485)

	AUD strengthened	
Consolidated - 2014	**% change**	**Effect on profit after tax**
USD	5%	(303,019)
VND	5%	(623,361)
CNY	5%	242,101
MYR	5%	(1,410)
SGD	5%	(1,967)
		(687,656)

Note 29. Financial instruments (continued)

A 5% weakening of the AUD against the various currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk
The consolidated entity's main interest rate risk arises from cash and cash equivalents.

As at the reporting date, the consolidated entity had the following cash and cash equivalents:

	2015		2014	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Bank loans	(11.00%)	(16,179,805)	(16.00%)	(12,054,966)
Cash on hand and short term deposits	0.19%	210,167,449	-%	17,015,447
Cash at bank and long term deposits	0.70%	7,669	3.35%	81,019,491
Net exposure to cash flow interest rate risk		193,995,313		85,979,972

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

An assessment of the sensitivity of the Consolidated Entity's exposure to interest rate movements was performed, and was found to be immaterial for the purposes of this disclosure.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity maintains cash to meet all its liquidity requirements and manages its liquidity by carefully monitoring cash outflows due in a day-to-day and week-to-week basis. Furthermore, the consolidated entity's long term liquidity needs are identified in its annual Board approved budget, and updated on a quarterly basis through revised forecasts.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2015 $	**2014 $**
Bank loans	5,629,003	5,933,173

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 5 years (2014: 6 years).

Note 29. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	3,160,938	-	-	-	3,160,938
Floating chips	-%	12,326,032	-	-	-	12,326,032
Interest-bearing - variable						
Bank loans	11.00%	2,962,712	2,962,712	8,796,034	1,458,345	16,179,803
Total non-derivatives		18,449,682	2,962,712	8,796,034	1,458,345	31,666,773

Consolidated - 2014	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-%	1,909,478	-	-	-	1,909,478
Floating chips	-%	9,282,203	-	-	-	9,282,203
Interest-bearing - fixed rate						
Borrowings	12.50%	1,446,596	1,768,062	5,304,186	3,536,122	12,054,966
Total non-derivatives		12,638,277	1,768,062	5,304,186	3,536,122	23,246,647

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 30. Key management personnel disclosures

Directors
The following persons were directors of Donaco International Limited during the financial year:

Stuart James McGregor	Non-Executive Director and Chairman
Joey Lim Keong Yew	Managing Director and Chief Executive Officer
Benedict Paul Reichel	Executive Director and Company Secretary
Benjamin Lim Keong Hoe	Non-Executive Director
Robert Andrew Hines	Non-Executive Director

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Richard Na Chun Wee	Chief Financial Officer and Deputy Group CEO
Kenny Goh Kwey Biaw	Deputy Chief Financial Officer and CEO of Donaco Singapore

Note 30. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015	**2014**
	$	**$**
Short-term employee benefits	2,036,484	1,644,176
Post-employment benefits	53,451	42,407
Long-term benefits	7,600	-
Share-based payments	824,179	-
	2,921,714	1,686,583

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the company, and unrelated firms:

	Consolidated	
	2015	**2014**
	$	**$**
Audit services - William Buck		
Audit or review of the financial statements	92,391	80,000
Other services - William Buck		
Preparation of the tax return	18,000	5,000
	110,391	85,000
Audit services - unrelated firms		
Audit or review of the financial statements	42,764	33,564
Other services - unrelated firms		
Preparation of the tax return	7,850	6,667
Due diligence	26,571	220
	34,421	6,887
	77,185	40,451

Note 32. Commitments

	Consolidated	
	2015	**2014**
	$	**$**
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property construction works	2,427,717	7,012,564
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	195,127	55,200
One to five years	63,240	182,719
	258,367	237,919

Operating lease commitments includes contracted amounts for various offices and sites within Australia and South East Asia under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Mortgage to Joint Stock Commercial Ocean Bank
A mortgage was registered by the Ocean Bank of Vietnam over the assets of the Aristo International Hotel, on 11 July 2011. Total borrowings as per the statement of financial position as at 30 June 2015 under this arrangement were $16,041,797. (2014: $12,054,966).

Mortgage to Joint Stock Commercial Bank for Foreign Trade of Vietnam
In addition, a secondary mortgage was registered by Joint Stock Commercial Bank for Foreign Trade of Vietnam over assets of the Aristo International Hotel on 7 April 2015. Total borrowings as per the statement of financial position as at 30 June 2015 under this arrangement were $138,007. (2014: $0).

Note 33. Related party transactions

Parent entity
Donaco International Limited is the legal parent entity. Donaco International Limited is listed on the Australian Securities Exchange (ASX: DNA).

Subsidiaries
Interests in subsidiaries are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 30 and the remuneration report in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2015	**2014**
	$	**$**
Other transactions:		
Dividends paid by controlling entities to non-controlling interest	-	(821,540)
Management fee - associated entities	-	47,394

Note 33. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2015 $	Consolidated 2014 $
Current receivables:		
Amount owing to Donaco Singapore Pte Ltd by associated entity	511,356	27,039

Amounts due from associated companies and related parties are unsecured, interest free, repayable on demand and are to be settled in cash.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2015 $	Parent 2014 $
Loss after income tax	(1,554,401)	(813,264)
Total comprehensive income	(1,554,401)	(813,264)

Statement of financial position

	Parent 2015 $	Parent 2014 $
Total current assets	22,306,130	81,494,286
Total assets	248,179,260	130,996,072
Total current liabilities	260,981	287,577
Total liabilities	269,992	308,065
Equity		
Issued capital	298,057,612	181,302,812
Employee share option reserve	1,967,750	-
Accumulated losses	(52,116,094)	(50,614,805)
Total equity	247,909,268	130,688,007

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Note 34. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2015 %	Ownership interest 2014 %
Donaco Australia Pty Ltd	Australia	100.00%	100.00%
Way2Bet Pty Ltd (sold 31 October 2014)	Australia	-%	90.00%
Donaco Singapore Pte Ltd	Singapore	100.00%	100.00%
Donaco Holdings Ltd *	British Virgin Islands	100.00%	100.00%
Donaco Holdings Sdn Bhd *	Malaysia	100.00%	100.00%
Lao Cai International Hotel Joint Venture Company *	Vietnam	95.00%	95.00%
iSentric Sdn Bhd (sold 8 September 2014)	Malaysia	-%	100.00%
Donaco Hong Kong Limited	Hong Kong	100.00%	-%
Prime Standard Limited	Hong Kong	100.00%	-%
Donaco Holdings (Hong Kong) Pte Ltd*	Hong Kong	100.00%	-%

* Subsidiary of Donaco Singapore Pte Ltd

The principal activities of each subsidiary are:
Donaco Australia Pty Ltd - Dormant (previously operated New Zealand games service, discontinued in January 2015).
Way2Bet Pty Ltd (sold 31 October 2014) - Previously operated wagering marketing portal.
Donaco Singapore Pte Ltd - Holding company for Vietnamese casino operations.
Donaco Holdings Ltd - Cost centre for corporate operations.
Donaco Holdings Sdn Bhd - Cost centre for corporate operations.
Donaco Holdings (Hong Kong) Pte Ltd - Cost centre for corporate operations and marketing activities.
Lao Cai International Hotel Joint Venture Company - Operates Vietnamese casino operations.
Donaco Hong Kong Limited - Holding company for Cambodian casino operations.
iSentric Sdn Bhd (sold 8 September 2014) - Previously operated mobile commerce business.
Prime Standard Limited - Cost centre for corporate operations.

Note 35. Interests in subsidiaries (continued)

Summarised financial information
Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

Lao Cai International Hotel Joint Venture Company

	2015 $	2014 $
Summarised statement of financial position		
Current assets	14,146,682	32,597,267
Non-current assets	82,183,762	45,564,285
Total assets	96,330,444	78,161,552
Current liabilities	29,605,474	29,002,058
Non-current liabilities	22,853,623	29,594,711
Total liabilities	52,459,097	58,596,769
Net assets	43,871,347	19,564,783
Summarised statement of profit or loss and other comprehensive income		
Revenue	17,109,928	19,381,119
Expenses	(18,556,453)	(7,311,782)
Profit/(loss) before income tax expense	(1,446,525)	12,069,337
Income tax expense	-	(2,847,373)
Profit/(loss) after income tax expense	(1,446,525)	9,221,964
Other comprehensive income	-	-
Total comprehensive income	(1,446,525)	9,221,964
Statement of cash flows		
Net cash from/(used in) operating activities	(1,007,639)	10,144,827
Net cash used in investing activities	(8,248,552)	(40,573,413)
Net cash from financing activities	7,026,938	25,962,545
Net decrease in cash and cash equivalents	(2,229,253)	(4,466,041)
Other financial information		
Profit/(loss) attributable to non-controlling interests	(72,326)	1,476,679
Accumulated non-controlling interests at the end of reporting period	986,462	1,058,788

Note 36. Events after the reporting period

The ultimate parent company, Donaco International Limited (DNA), entered into a share sale agreement on 23 January 2015, supplemental share sale agreement on 22 May 2015, and amending and restating deed on 18 June 2015 (the "Sale and Purchase Agreements") with independent third parties for the acquisition of the 100% equity interests in DNA Star Vegas Co., Ltd ("DNA Star") for a consideration of USD360 million. DNA Star is principally engaged in operation of a casino business in Cambodia. The consideration to be paid by DNA to the vendor was made by:

1. Deposit of USD5 million within 14 days of execution of the share sale agreement, which occurred in FY15.
2. USD135 million to be paid on completion date of acquisition.
3. USD120 million by issuing consideration shares in DNA on the completion date of acquisition.
4. USD100 million to be paid to an account or held in escrow in favour of the vendor.

Note 36. Events after the reporting period (continued)

According to the nomination letter signed on 22 June 2015, DNA nominated its wholly-owned subsidiary, Donaco Hong Kong Limited ("DHK"), to be the registered owner of DNA Star and vested unto DHK all of the rights, titles and interest in DNA Star under and/or pursuant to the Sale and Purchase Agreement.

The acquisition was completed on 1 July 2015. Consequent on the completion of the acquisition, applicable legal and consultancy fees of $10,444,225 were expensed and paid in the month of July 2015.

As part payment for the acquisition, a term loan of USD100 million from Mega International Commercial Bank Co, Ltd of Taiwan was drawn down on 1 July 2015, and the proceeds paid to the vendor.

Pursuant to a detailed valuation report and purchase price allocation report dated 22 January 2015 prepared by Colliers International Hong Kong Limited and its related party, Colliers International Thailand, the fair value of the business acquired by DNA was USD411.2 million. Since the price paid was USD360 million, this valuation would require the acquisition to be treated as a bargain purchase, which would require the excess of USD51.2 million to be recorded as a positive income amount in the Company's income statement.

However the Directors have decided to take a more conservative approach to the valuation, and will continue to evaluate the business and the assets acquired in more detail over the next 12 months, before deciding whether to treat the acquisition as a bargain purchase.

As a result of the successful acquisition of the Star Vegas Resort & Club on 1 July 2015, the FY15 statutory results relate only to the Company's pre-existing business, the Aristo International Hotel in Vietnam. Based on unaudited Star Vegas management accounts for FY15, the Aristo now represents approximately 15% of the Company's overall business, in terms of net (reported) revenue.

Unaudited management accounts for FY15 show that the Star Vegas achieved actual net revenue of $92.66 million, and earnings before interest, tax, depreciation and amortisation (EBITDA) of $70.22 million, with net profit after tax (NPAT) of $65.4 million. Normalised results show revenue of $100.82 million, EBITDA of $78.39 million, and NPAT of $73.56 million.

In order to provide working capital for the consolidated entity, a term loan facility in the amount of USD20 million from OL Master Limited was drawn down on 7 July 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 37. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated 2015 $	Consolidated 2014 $
Profit/(loss) after income tax expense for the year	(3,000,401)	8,270,082
Adjustments for:		
Depreciation and amortisation	4,857,120	292,090
Net gain on disposal of non-current assets	(2,203,373)	-
Share-based payments	1,967,750	-
Foreign exchange relating to capital raising	381,544	1,545,565
Interest on investing activities	-	(77,117)
Net gain on sale of assets	-	(9,861)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,293,613)	2,408,358
Decrease/(increase) in inventories	704,860	(1,180,516)
Decrease/(increase) in other operating assets	7,897,925	(2,092,799)
Increase in trade and other payables	3,379,938	1,187,897
Decrease in provision for income tax	(4,424,195)	(319,414)
Increase/(decrease) in employee benefits	245,389	(399,140)
Increase/(decrease) in other provisions	(10,482)	63,043
Net cash from operating activities	8,502,462	9,688,188

Note 38. Earnings per share

	Consolidated 2015 $	Consolidated 2014 $
Earnings per share for profit/(loss) from continuing operations		
Profit/(loss) after income tax	(5,202,162)	6,699,952
Non-controlling interest	72,326	(1,476,679)
Profit/(loss) after income tax attributable to the owners of Donaco International Limited	(5,129,836)	5,223,273

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	542,208,524	306,593,004
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	23,047,578	7,869,582
Weighted average number of ordinary shares used in calculating diluted earnings per share	565,256,102	314,462,586

	Cents	Cents
Basic earnings per share	(0.95)	1.70
Diluted earnings per share	(0.91)	1.66

	Consolidated 2015 $	Consolidated 2014 $
Earnings per share for profit from discontinued operations		
Profit after income tax attributable to the owners of Donaco International Limited	2,201,761	1,570,130

Note 38. Earnings per share (continued)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	542,208,524	306,593,004
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	23,047,578	7,869,582
Weighted average number of ordinary shares used in calculating diluted earnings per share	565,256,102	314,462,586

	Cents	**Cents**
Basic earnings per share	0.41	0.51
Diluted earnings per share	0.39	0.50

	Consolidated	
	2015	**2014**
	$	**$**
Earnings per share for profit/(loss)		
Profit/(loss) after income tax	(3,000,401)	8,270,082
Non-controlling interest	72,326	(1,476,679)
Profit/(loss) after income tax attributable to the owners of Donaco International Limited	(2,928,075)	6,793,403

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	542,208,524	306,593,004
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	23,047,578	7,869,582
Weighted average number of ordinary shares used in calculating diluted earnings per share	565,256,102	314,462,586

	Cents	**Cents**
Basic earnings per share	(0.54)	2.22
Diluted earnings per share	(0.52)	2.16

Note 39. Share-based payments

Employee Option Allocation FY14
At the Annual General Meeting on 21 November 2013, shareholders approved the establishment of a long term incentive (LTI) plan for executives, consisting of the annual grant of units under an option share trust (OST). On 23 December 2013, the Company announced that it had issued options amounting to 1% of its then issued capital (a total of 4,010,511 options) under the LTI plan. Approval for the issue of these options under an employee incentive scheme was obtained pursuant to ASX Listing Rule 10.14.

These options were not contributed to the OST until 1 July 2014. Accordingly employees were not allocated units in the OST until 1 July 2014.

Employee Option Allocation FY15
Pursuant to the approval granted by shareholders at the FY13 Annual General Meeting, further options were contributed to the OST for FY15. These options were not contributed to the OST until 1 July 2015, and accordingly employees were not allocated additional units in the OST (apart from those outlined below) until 1 July 2015.

Note 39. Share-based payments (continued)

Set out below are summaries of options granted during FY15 under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/07/2014	01/07/2016	$0.590	-	1,399,293	-	(33,333)	1,365,960
01/07/2014	01/07/2017	$0.590	-	1,328,169	-	(33,333)	1,294,836
01/07/2014	01/07/2018	$0.590	-	1,283,049	-	(33,333)	1,249,716
			-	4,010,511	-	(99,999)	3,910,512

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2015 Number	2014 Number
01/07/2014	01/07/2016	1,365,960	-
		1,365,960	-

The weighted average share price during the financial year was $0.78 (2014: $0.56).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.97 years (2014: not applicable as no options were outstanding).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at valuation date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2014	01/07/2016	$0.930	$0.610	78.74%	-%	2.52%	$0.490
01/07/2014	01/07/2017	$0.930	$0.610	78.74%	-%	2.52%	$0.560
01/07/2014	01/07/2018	$0.930	$0.610	78.74%	-%	2.52%	$0.616

Donaco International Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Mr Stuart McGregor
Chairman

25 September 2015
Sydney

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DONACO INTERNATIONAL LIMTIED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Donaco International Limited (the Company) on pages 20 to 64, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DONACO INTERNATIONAL LIMTIED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of Donaco International Limited on pages 20 to 64 is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company and consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Donaco International Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Donaco International Limited for the year ended 30 June 2015 included on Donaco International Limited's web site. The company's directors are responsible for the integrity of the Donaco International Limited's web site. We have not been engaged to report on the integrity of the Donaco International Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

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M.A. Nevill
Partner
Dated this 25th day of September, 2015

Donaco International Limited
Shareholder information
30 June 2015

The shareholder information set out below was applicable as at 31 August 2015.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	397	-
1,001 to 5,000	703	-
5,001 to 10,000	424	-
10,001 to 100,000	963	-
100,001 and over	159	-
	2,646	-
Holding less than a marketable parcel	240	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	130,675,427	15.73
SLIM TWINKLE LIMITED	84,437,882	10.16
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	80,943,594	9.74
NATIONAL NOMINEES LIMITED	68,032,903	8.19
CONVENT FINE LIMITED	60,353,318	7.27
TOTAL ALPHA INVESTMENTS LIMITED	56,962,025	6.86
CITICORP NOMINEES PTY LIMITED	52,457,127	6.31
BNP PARIBAS NOMS PTY LTD	27,983,236	3.37
MR KEONG YEW LIM	25,540,155	3.07
J P MORGAN NOMINEES AUSTRALIA LIMITED	23,074,684	2.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	9,207,480	1.11
MR KEONG YEW LIM	6,000,000	0.72
UOB KAY HIAN PRIVATE LIMITED	4,330,201	0.52
UBS NOMINEES PTY LTD	3,626,016	0.44
NATIONAL NOMINEES LIMITED	3,016,000	0.36
CHUN WEE NA	3,000,000	0.36
HOLDEX NOMINEES PTY LTD NO 384 A/C	2,348,338	0.28
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	2,302,545	0.28
MALAHON SECURITIES LIMITED	2,213,000	0.27
HOLDEX NOMINEES PTY LTD NO 392 A/C	2,000,000	0.24
	648,503,931	78.06

Unquoted equity securities

	Number on issue	Number of holders
Employee options	5,212,142	6
Warrants	70	1

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Lim Keong Yew	264,358,496	31.82
Lim Keong Hoe (jointly held with Lim Keong Yew)	144,791,200	17.43
Perpetual Limited and subsidiaries	103,426,683	12.45
Lee Bug Tong	73,599,765	8.86
Lee Bug Huy	73,599,764	8.86
Van Eck Associates and subsidiaries	44,538,698	5.36

Voting rights

The voting rights attached to ordinary shares and options are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options
There are no voting rights attached to options. Upon exercise of the option, the issued shares will confer full voting rights.

Warrants
There are no voting rights attached to warrants. Upon conversion of the warrant, the issued shares will confer full voting rights.

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Fully Paid Ordinary 1 Year	30 June 2016	48,575,845
Fully Paid Ordinary 2 Years	30 June 2017	48,575,844
		97,151,689

Donaco International Limited
Corporate directory
30 June 2015

Directors	Stuart James McGregor - Chairman Joey Lim Keong Yew - Managing Director and CEO Benedict Paul Reichel - Executive Director Benjamin Lim Keong Hoe - Non-Executive Director Robert Andrew Hines - Non-Executive Director Ham Techatut Sukjaroenkraisri - Executive Director (appointed 1 July 2015) Paul Porntat Amatavivadhana - Non-Executive Director (appointed 1 July 2015)
Company secretary	Benedict Paul Reichel
Notice of annual general meeting	The Annual General Meeting of Donaco International Limited will be held at Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 26 November 2015 at 2:30pm
Registered office	Suite 2.02 55 Miller Street Pyrmont NSW 2009 Telephone: (02) 9017 7000 Facsimile: (02) 9017 7001
Principal place of business	Suite 2.02 55 Miller Street Pyrmont NSW 2009
Share register	Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000 +61 2 9290 9600
Auditor	William Buck Level 29 66 Goulburn Street Sydney NSW 2000
Stock exchange listing	Donaco International Limited shares are listed on the Australian Securities Exchange (ASX code: DNA)
Website	www.donacointernational.com
Corporate Governance Statement	The Corporate Governance Statement of Donaco International Limited is available from our website www.donacointernational.com, via the tab headed "Investor Relations".